

Senate File 271 - Introduced

SENATE FILE _____
BY COMMITTEE ON JUDICIARY

(SUCCESSOR TO SSB 1092)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the duties of directors of nonprofit
2 corporations.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 1074SV 82
5 av/gg/14

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1 1 Section 1. Section 504.831, subsections 2 and 4, Code
1 2 2007, are amended to read as follows:
1 3 2. The members of the board of directors or a committee of
1 4 the board, when becoming informed in connection with their
1 5 decision-making functions or when devoting attention to their
1 6 oversight functions, shall discharge their duties with the
1 7 care that a person in a like position would reasonably believe
1 8 appropriate under similar circumstances.
1 9 4. In discharging board or committee duties, a director
1 10 who does not have knowledge that makes reliance unwarranted,
1 11 is entitled to rely on information, opinions, reports, or
1 12 statements, including financial statements and other financial
1 13 data, if prepared or presented by any of the persons specified
1 14 in subsection 5.

EXPLANATION

1 15 This bill relates to standards for the performance of
1 16 certain duties by directors of nonprofit corporations.
1 17 Code section 504.831 is amended to require directors to
1 18 devote attention to their oversight functions with the care
1 19 that a person in a like position would reasonably believe
1 20 appropriate under similar circumstances. The bill also
1 21 authorizes directors to rely on certain information, opinions,
1 22 reports, or statements presented to them so long as they do
1 23 not have knowledge that makes the reliance unwarranted.
1 24 LSB 1074SV 82
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